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C O N F I D E N T I A L ASUNCION 000045

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E.O. 12958: DECL: 07/26/2017

TAGS: PREL PGOV PA

SUBJECT: GOVERNMENT OFFICIALS PLAY MUSICAL CHAIRS BEFORE NATIONAL ELECTIONS

REF: A. A) ASUNCION 37

¶B. B) 07 ASUNCION 974

Classified By: DCM Michael Fitzpatrick for reasons 1.4 (b) and (d).

¶1. (C) President Duarte named Senator Roberto Gonzalez January 17 to head the Ministry of Public Works and Communications. Gonzalez, who has been serving as presidential hopeful Blanca Ovelar's campaign manager, replaced Rogelio Benitez, who resigned to run for a senate seat on Ovelar's ticket. Colorado insiders indicated that Colorado President Jose Alberto Alderete may replace Gonzalez as Ovelar's campaign manager once the Colorado primary results are officially announced, expected January 21 (reftel A). Gonzalez previously served as defense minister until Duarte tapped him November 21, 2007, to replace Vice President Francisco "Papito" Oviedo Britez as senator (reftel B). Gonzalez will vacate his senate seat, and Colorado Incocencia Lopez de Sanabria will likely replace him.

¶2. (SBU) Duarte also named close ally Ramon Romero Roa general director of the Itaipu (Dam) Binational Enterprise. Romero replaced Victor Bernal Garay, who is also running for a senate seat on Ovelar's ticket. Romero, a lawyer by trade, has worked for Itaipu since 2002 and most recently served as administrative director of executive coordination. Prior to joining Itaipu, Romero served as mayor of Minga Guazu in Alto Parana Department from 1996 to 2001 until prosecutors indicted him on charges of embezzling municipal funds. (NOTE: Prosecutors suspended Romero's case when President Duarte entered office in 2003. END NOTE.) Romero is the first person from Alto Parana to become Itaipu director, and his brother Alcides currently serves as mayor of Minga Guazu.

¶3. (C) Public officials running for elective office in the April 20 national elections must step down before January 20, and Duarte has taken advantage of these vacancies to place individuals not running for election in key government positions. Duarte's choice of Gonzalez and Romero follows Duarte's tendency to place personal allies in key government positions, improving the Colorados' prospects for victory in the upcoming election. Romero's designation as Itaipu director could help Ovelar win more votes in Alto Parana, where Ovelar suffered her worst defeat -- losing to rival Luis Castiglioni 39.2 to 60.8 percent -- during the December 16 Colorado primary.

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